GOVERNMENT OF INDIA
TOURISM
LOK SABHA

STARRED QUESTION NO:518
ANSWERED ON:10.05.2007
INDUSTRY STATUS TO HOTEL INDUSTRY
Mishra Dr. Rajesh Kumar;Sajjan Kumar Shri

Will the Minister of TOURISM be pleased to state:

(a) whether there has been persistent demands from various quarters for according industry status to the hotel industry in view of its potential to earn foreign exchange;

(b) if so, the details thereof; and

(c) the action taken or proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF TOURISM AND CULTURE (SMT. AMBIKA SONI)

(a), (b), and (c): A Statement is laid on the Table of the House.

STATEMENT IN REPLY TO PART (a), (b) AND (c) OF LOK SABHA STARRED QUESTION NO. +518 TO BE ANSWERED ON 10.05.2007 REGARDING INDUSTRY STATUS TO HOTEL INDUSTRY

(a), (b) and (c): Declaration of industry status is a subject matter of the State Government. While the Ministry of Tourism has not been receiving any demand for according industry status to hotels, there were requests for granting infrastructure status with Tax holiday. Tax Holiday has been announced in the budget 2007-08 for 5 years under Section 80-ID (1) of the Income Tax Act for new hotels of 2,3 and 4 star categories coming up between 1.4.2007 to 31.3.2010 in the National Capital Territory of Delhi and the districts of Faridabad, Gurgaon, Gautam Budh Nagar and Ghaziabad. Ministry of Commerce and Industry (Department of Industrial Policy and Promotion) has announced packages for the hill States of Jammu & Kashmir, Sikkim, Himachal Pradesh and Uttaranchal by way of concessions under Excise Duty, Income Tax Exemption and Investment Subsidy etc. for certain identified thrust industries, including Eco-Tourism industries set up in these States. Certain incentives have also been extended to hotels not below 2 star category to the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim.